

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Human Resources	<b>(2) MEETING DATE</b> 9/24/2013	<b>(3) CONTACT/PHONE</b> Tami Douglas-Schatz (805) 781-5959	
<b>(4) SUBJECT</b> Submittal of a resolution approving the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Sheriff's Managers Association (SLOCSMA).			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board adopt a resolution approving the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Sheriff's Managers Association (SLOCSMA).			
<b>(6) FUNDING SOURCE(S)</b> General Fund- Sheriff's Budget	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$23,000	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$33,000	<b>(9) BUDGETED?</b> No
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> N/A	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date: _____	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b> Emily Jackson			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Human Resources / Tami Douglas-Schatz  
(805) 781-5959

DATE: 9/24/2013

SUBJECT: Submittal of a resolution approving the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Sheriff's Managers Association (SLOCSMA).

## **RECOMMENDATION**

It is recommended that the Board adopt a resolution approving the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Sheriff's Managers Association (SLOCSMA).

## **DISCUSSION**

The Sheriff's Management employees, represented by the San Luis Obispo County Sheriff's Managers Association (SLOCSMA), Bargaining Unit 15, is comprised of eleven (11) full-time positions in the classifications of Sheriff's Chief Deputy, Sheriff's Commander, Sheriff's Correctional Captain, and Sheriff's Correctional Lieutenant.

On January 30, 2013, the County notified SLOCSMA of its intent to meet and negotiate a successor contract to the contract that was due to expire on June 30, 2013. Consistent with the terms of the contract, the parties entered into discussions on February 14, 2013 to negotiate changes to terms and conditions of employment. After several sessions of negotiating in good faith, the parties were able to reach a tentative agreement for a new Memorandum of Understanding (MOU). The details of the MOU are as follows:

### **Term:**

- The SLOCSMA MOU will be effective July 1, 2013 and will fully terminate on June 30, 2015.

### **Wage Provisions:**

- There will be no wage adjustments during the term of the MOU.

### **Pension Provisions:**

- Any pension rate increases shall continue to be split equally by the County and employees for the term of the MOU.
- Effective the pay period that includes January 1, 2014, the pension contribution rate for employees in Bargaining Unit 15 shall increase by 0.60%. The County's appropriation rate shall also increase by 0.61%.
  - Appendix B – Safety Members Contribution Rates and Appendix B Tier 2 – Safety Members Contribution Rates reflect the County's new appropriation rate and the new Tier 1 and Tier 2 member contributions rates.
- New language added for the California Public Employees' Pension Reform Act of 2013 (PEPRA), known as Tier 3 for all County bargaining units.

- There will be no pension rate increase effective the pay period that includes January 1, 2014 for Tier 3 members, as the pension rate increase determination was calculated in 2012 and prior to the implementation of PEPRA.
- Any future increases in pension costs shall be split equally by the parties for Tier 1, Tier 2, and Tier 3.

#### **Voluntary Employee Beneficiary Association (VEBA)**

- An increase in VEBA (a post employment health plan) from \$15,000 to \$20,000. In compliance with Article 23 of the attached MOU, at the time of separation from County employment, one-half of an employee's unused sick leave balance (up to 260 days) is converted to a dollar amount based on the employee's current rate of pay. Of that amount, up to a maximum of \$20,000, will now be placed into an account for the employee's post employment health expenses that qualify under the program. Any remaining amount over \$20,000 will be paid to the employee as taxable income.

#### **Administrative Leave**

- Increase in administrative leave days from 32 hours (4 days) to 48 hours (6 days). The increase to 48 hours is consistent with the number of administrative leave hours granted to the County's Appointed Department Heads and General Management employees.

#### **Career Incentive**

- A new career incentive of \$250/month for possession of a Peace Officers Standards and Training (POST) Supervisory and Management Certificate. Eligible employees in the classifications of Sheriff's Chief Deputy and Sheriff's Commander may qualify for the career incentive. Career incentives are currently awarded to qualified non-management sworn law enforcement for possession of an Intermediate POST (\$75/month) and an advanced POST (\$150/month) certificate. However, there is currently no career incentive for sworn law enforcement management, which results in a career incentive pay loss upon promotion. Adding a \$250/month POST career incentive is consistent with industry market standards for these SLOCSMA classifications.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

Representatives from the Administrative Office, Auditor-Controller and the Pension Trust participated in the development of the MOU and Pension Trust contribution rate sheets. County Counsel has reviewed and approved the resolution and MOU for legal form and effect. The Auditor's Office and Human Resources staff will process the system changes and VEBA contract amendments needed to implement these adjustments.

#### **FINANCIAL CONSIDERATIONS**

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust") as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. The County and the Trust have agreed that the rate increase will be effective the pay period that includes January 1, 2014. Based on this implementation date, the total rate increase for all SLOCSMA employees ("safety members") is 1.21%. As agreed to in the SLOCSMA MOU, attached hereto as Attachment A, the SLOCSMA employees and the County will equally split the pension rate increase. By splitting the 1.21% pension rate increase (half of which is 0.61%), the County's annual ongoing costs shall increase by approximately \$9,000. For FY 2013-14, total County costs will increase by approximately \$4,500 for the time period of January, 2014 through June, 2014.

The addition of a \$250/month career incentive POST Supervisory Certificate will result in the County's annual ongoing costs to increase by a maximum of \$24,000 based on the current eight (8) employees who may qualify for the incentive (equates to approximately 1.09% of total SLOCSMA payroll costs). For FY 2013-14, total County costs will increase by a maximum of approximately \$18,500 for the time period of October, 2013 (implementation date) through June, 2014.

Per the Board's policy, the Sheriff's Office budget will bear the cost of the County's 0.61% pension rate increase as well as the additional cost associated with the POST career incentive pay, totaling approximately \$33,000 in annual County

costs. There shall be no County costs associated with the increase to VEBA, as the program is fully funded by an individual employee's accrued sick leave balance at the time of separation from County employment.

## **RESULTS**

Approval of this resolution will establish a new two (2) year MOU effective July 1, 2013 through June 30, 2015. The terms and conditions outlined in the MOU are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. The new MOU provisions also contribute to a results-oriented, well-governed community.

## **ATTACHMENTS**

1. Resolution-SLOCSMA
2. Appendix B-Safety Rates
3. Appendix B Tier 2-Safety Rates
4. Attachment A-SLOCSMA MOU